

started an evolution in competition and cooperation which is still in progress. The manufacturer saw the change in conditions; saw he could no longer monopolize the territory which he had considered his own; saw he could produce more cheaply on a large scale with improved machinery, and that the cheaper transportation would enable him to invade territory from which he had hitherto been barred, as well as permit the invasion of his own. The field appeared unlimited, and, with little knowledge of the consuming capacity of the people and the productive capacity of his rivals he rushed into it. He knew but few of his customers personally, and expected no mercy from strangers and gave as little as he expected to receive. He feared attack, therefore he hastened to attack himself.

What one did others did, and thus the human feeling in business was steadily weakened. The merchant, affected by much the same conditions, followed the example of the manufacturer.

The consumer who had hitherto bought his supplies from his friend around the corner found he could buy cheaper at some big store many corners distant. Rapid transit enabled him to do so with but little inconvenience and expense. Thus he began to buy of strangers for whose welfare he had no regard.

Excessive Competition.

Under these changed conditions competition became excessive. An increased cooperation only intensified its sharpness. The advantages of doing business on a large scale were now understood. Accordingly, to get these advantages, there was more and more co-operation of men with small means (whose capital separated would not have enabled them to do business); hence the formation of great corporations. Hence, because of them, a further weakening of the human feeling. The householder who left the corner shop to buy of John Smith's great establishment did not perhaps know Smith, but there was the chance that he might know him and even become his personal friend, whom he might favor and who might favor him. But when John Smith co-operated with a dozen, or a score, or a hundred other men, and became the Smith Mercantile company, there was an end to any possible sentiment. Friendship with a corporation was ridiculous. The common adjective used with corporations expresses the popular feeling; they are "soulless" when they are not "heartless" or "greedy." The stockholders composing the corporation, with souls and hearts and not always greedy, were overlooked by him; and in turn, overlooked him. He was the same abstraction to them, that they were to him. The officers and managers em-

ployed by these companies felt no duty except to their own stockholders, and made as much money as they could for them. Having no discretion (such as the individual proprietor had) in matters of humanity, they were not influenced or restrained, as he had been, by any consideration for the welfare of their customers.

Loss of Human Feeling.

In the same way the greater distance between the employer and the workman led to the loss of the friendly, human feeling between them, also. When a man employed a dozen men in a shop, often working with them himself, calling them by their "little names" and very likely being "Bill" or "Jack" to them, knowing all about one man's sick wife, and another man's bright boy, whom he was educating by working over hours—in short being their friend and comrade as well as their employer—there were few strikes, although wages were smaller and prices were higher. But when the employer worked a hundred or a thousand instead of a dozen men, they were too many for him to know. He "ran the business through the office," and did not know his men by sight, much less by name. The human feeling was crowded out of the shop. Although the wages were better the relations were worse.

Under these changed conditions competition between the various groups of co-operators became extreme and merciless. Prices were cut below what was warranted by the cheaper cost of production, causing not only lack of profit but in many cases absolute bankruptcy. To escape these disastrous consequences the competitors tried an unreal co-operation. They met together and agreed upon prices, and paid a corps of spies to watch each other. Going yet further, to prevent violations of their agreements, they placed a controlling interest in the stock of their companies in the hands of trustees who were to control them and see that they played fair. Thus arose the trusts.

These combinations were economically wrong, because they increased the expense of production instead of decreasing it, as could have been done by genuine co-operation. The separate organizations of the old companies were retained and a new lot of agents added, with their new salaries. The absence of the human feeling also led these combinations and trusts not only to charge prices high enough to pay these additional expenses and a fair profit, but as much more as they could get. To escape the results of abused competition, they abused co-operation.

Legislation.

An indignant public (with equally little human feeling toward them, and goaded on by reckless newspapers and reckless demagogues), ran amuck against the trusts. The statute books

were filled with legislation so comprehensive and so radical (as well as so ignorant) that, were it carried into effect, it would prevent not only the abuse of co-operation, but all use of it in business.

Naturally such legislation failed. In fact, it did nothing beyond giving work to the printers and making trusts and corporations more hated and less understood than before.

The trusts and combinations failed from natural causes—from dissension and treachery within, and from competition without. The competition, incited by the abnormally high prices had to be bought off constantly; and finally it cost more to do this than could be wrung from the public. Competition, even more merciless, again ruled and prices were again ruinous.

New Form of Combination.

Once more co-operation was tried as a remedy, and immense corporations were formed to buy up and consolidate under a single management the plants of the former competitors. It was a genuine co-operation this time, and increased production while decreasing expenses. It enabled the new companies to pay good wages and make fair profits at moderate prices. Unfortunately, many of these corporations were over-capitalized, and the desire to pay dividends on "watered stock" has tempted some of them to abuse their temporary power by exacting unreasonable prices. It has brought its punishment in fresh competition and falling prices.

So far as we have gone the great corporation is an economic success. It renders human labor more efficient, and is therefore a factor of progress, and of great benefit to humanity if its powers be not abused. Its powers may be abused, but under the operation of natural laws the abuse will bring its own punishment and its own cure. Some of the great companies have already been punished by bankruptcy and dissolution for their abuses, while the moderate have succeeded.

Unfortunately the just bitterness felt by the people toward the old combinations and trusts has been transferred to these new companies indiscriminately, although they are very different, from a legal as well as an economic standpoint. The odious name of "trust" is applied to them, and the hue and cry is raised by demagogues for their persecution and extermination, regardless of their conduct. Bryan, who is preëminently the apostle of popular ignorance and prejudice, denounces the big corporations as "trusts," and all "trusts" as evil.

Big Corporations.

The work of manufacturing and transportation is carried on by big companies because, in the course of industrial evolution, they have proven better for